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TO RUEHC/SECSTATE WASHDC 0693
INFO RUEHRC/DEPT OF AGRICULTURE WASHINGTON DC
RUCPDO/DEPT OF COMMERCE WASHINGTON DC

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USDA FOR FAS/OCRA/WHA/CMARSTON, FAS/ONA/MED/LCOONROD, AND
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E.O. 12958: N/A
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SUBJECT: DEMARCHE ON WTO ARTICLE XXI PROCEDURE

REF: SECSTATE 60296

11. (SBU) Embassy delivered reftel points in May to Director General for Trade Sonia Somarriba, who promised to respond later as to whether Nicaragua would seek compensation. Since, the Ministry of Trade, Industry, and Development (MIFIC) has undergone high-level changes, including the minister and both vice ministers (septel). Orlando Solorzano was sworn in as minister on June 22. On the margins of a June 27 meeting at MIFIC, Somarriba informed Econoff that the preliminary conclusion on the issue was that Nicaragua should negotiate some form of compensation with the United States. She could not elaborate, however, as there had been no closure on the subject. Econoff reiterated reftel arguments, which Somarriba took on board. Comment: We are not surprised at the proclivity to seek compensation, and will inform Washington as soon as we learn of MIFIC's final decision.
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